

## PMEX International Cotton (ICOTTON) Futures Contract Specifications

<b>Trading Hours</b>	<p>Hours of Trading in the PMEX International Cotton Futures Contract shall be Monday to Friday (excluding Exchange specified holidays) as given below or as specified by the Exchange from time to time:</p> <p>Normal Trading Session: 05:00 am to 11:30 pm PST</p> <p>On the last trading day of a contract normal trading will end at 04:00 pm</p>
<b>Unit of Trading</b>	5,000 Pounds
<b>Trading System</b>	PMEX ETS
<b>Price Quotation</b>	US Cents per pound, up to two decimal places
<b>Tick size</b>	0.01 cents
<b>Tick Value</b>	\$0.5
<b>Price Limit</b>	+/- 7 cents per day based on previous day's settlement price or as notified in advance by the Exchange.
<b>Contract Months</b>	<p>March, May, July, October and December. Additional contract months would be made available at the discretion of the exchange depending on the needs of the market.</p> <p>Each contract would be made available at least one month before its expiry.</p>
<b>Last Trading Day (Contract Expiry Day)</b>	Six business days before the first business day of the contract month or a day specified by the Exchange as Last Trading Day.
<b>Holiday Convention</b>	In case the Last Trading Day falls on an Exchange holiday, previous day will be designated as Last Trading Day.
<b>Settlement Mode</b>	Cash Settlement in Pakistani Rupees.
<b>Daily Settlement Price</b>	Calculated on PMEX specified methodologies which include reference to internationally available prices, Session Consensus Price, Volume Weighted Average Price during last 20 minutes of trading, theoretical futures price or any other methodology notified in advance by the Exchange.
<b>Final Settlement Price</b>	Last traded price of the corresponding month of Cotton No.2 Futures Contract on ICE at the time of end of trading on the Last Trading Day of PMEX International Cotton Futures Contract. If, for any reason, the last traded price at PMEX expiry time is not available, the last available traded price of the corresponding contract on ICE will be used as the basis of Final Settlement Price.
<b>Daily Settlement Amount</b>	Daily Settlement of PMEX International Cotton Futures Contract will result in a cash settlement amount in Rupees. The daily cash settlement amount shall be the day's mark-to-market profit or loss amount in Rupees based on the Daily Settlement Price of the PMEX International Cotton futures contract converted at the USDPKR Exchange rate as determined and notified by the Exchange.
<b>Final Settlement Amount</b>	Final Settlement of PMEX International Cotton futures contract will result in the delivery of a cash settlement amount in Rupees on the Final Settlement Date. The cash settlement amount on the Final Settlement Date shall be the Last Trading Day's mark-to-market profit or loss amount in Rupees based on the Final Settlement Price of the PMEX International Cotton futures contract converted at the USDPKR Exchange rate as determined and notified by the Exchange.
<b>Position Limits</b>	2000 contracts per Broker (including proprietary and all its clients) 100 contracts per Client of Broker
<b>Margin Requirement</b>	<p>The amount of margin payable by Brokers in respect of their outstanding contracts in PMEX International Cotton futures contract shall be determined by the Exchange. Exchange will amend margin requirement whenever necessary or required due to changes in market conditions and risk management principles.</p> <p>All Margins will be collected in Pakistani Rupees.</p>
<b>Initial Margin</b>	Minimum Initial Margin will be based on VaR methodology at 99% confidence interval over a 1-day Time Horizon or as specified by the Exchange.

<b>Special Margin</b>	Exchange reserves the right to impose special margins during periods of increased or excessive volatility. Special margins will be computed by increasing the look-ahead period, reducing sample size, or by changing any other parameters used in the VaR methodology.
<b>Spread Contracts</b>	PMEX may open spread contracts.
<b>Further Regulations</b>	This contract shall be subject, where applicable, to the Regulations of the Pakistan Mercantile Exchange Limited.